BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

In the Matter of the Application of)

BELLSOUTH BSE, INC. and
BELLSOUTH LONG DISTANCE, INC.

DOCKET NO. 04-0076

For Approval to Transfer Certificate and Merger.

ORDER NO. 21345

Filed Sept. 14, 2004

Chief Clerk of the Commission

ATTEST: A True Copy
KAREN HIGASHI
Chief Clerk, Public Utilities
Communication, State of Hawaii.

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ORDER

I.

Introduction

On June 25, 2004, the commission, by Decision and Order No. 21084, waived the requirements of HRS § 269-19, to the extent applicable, with respect to the proposed merger by and between BELLSOUTH BSE, INC. ("BSE") AND BELLSOUTH LONG DISTANCE, INC. ("BSLD").

On July 19, 2004, BSLD submitted its revised tariff, incorporating any changes necessary to assume the services of BSE in accordance with Decision and Order No. 21084.

2004, July 27, On the DEPARTMENT OF COMMERCE AFFAIRS, AND CONSUMER DIVISION OF CONSUMER ADVOCACY "Consumer Advocate") submitted its concerns and recommendations regarding BSLD's revised tariff.

Discussion

The Consumer Advocate provides four (4) recommended revisions to BSLD's revised tariff. Based on the commission's review of the Consumer Advocate's recommended revisions, we only find its recommended revisions nos. 2, 3 and 4 (in part) to BSLD's revised tariff to be reasonable and necessary. As discussed further below, we find that recommended revisions nos. 1 and 4 (in part) are unnecessary and that it is not reasonable to impose such conditions at this time. In its recommended revision no. 1, the Consumer Advocate requests that the commission waive the requirements of Hawaii Administrative Rules ("HAR") § 6-80-105(b) "[s]ince the current prevailing passbook interest rates are far below six percent . . . and imposing the six percent interest rate requirement would increase Applicant's expenses, which may in turn increase rates for its services." Upon review, we do not find anything in the record to support this assertion. Further, we are not convinced that a waiver of HAR § 6-80-105(b) is in the public interest, under Hawaii Revised Statutes § 269-16.9 and HAR § 6-80-135, because the requirement that a carrier "pay simple interest on the deposit at the rate of at least six percent per annum" is intended to provide the carrier with an incentive to return the customer's deposit "within thirty days of the customer's establishing credit." Thus, waiving this requirement would not provide the customer with adequate safeguards to ensure that the deposit is appropriately returned to the customer. Concerning recommended revision no. 4, the Consumer Advocate

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recommends that in addition to publishing the commission's address and telephone number in Applicant's proposed tariff, Applicant should also include such information in the customer's bill. We reject this part of recommended revision no. 4 for the following reasons. First, this is not a recommended revision to Applicant's proposed tariff, as alluded to by the Consumer Advocate. Second, although such recommendation may be consistent with HAR § 6-80-107(4), we are not persuaded that this recommendation should be mandated as a condition of granting Applicant a COA, as the Consumer Advocate did not provide the commission with any facts or justification supporting such a mandate.

Thus, we conclude that BSLD's revised tariff should be amended as follows:

- Consistent with HAR § 6-80-106, Section 2.11.13(C)
 (Original Page 20) should be amended as follows:
 "Nonpayment of any sum due the Company that is not
 in dispute." (New text underscored.)
- 2. Section 3.2 (Original Page 28) and Section 3.3 (Original Page 37) should be amended to include language that BSLD's rates and charges offered on an Individual Case Basis (aka, ICB) will be filed consistent with HRS § 269-16 and HAR §§ 6-80-17, 6-80-39 and 6-80-40.
- 3. Consistent with HAR § 6-80-107, a new subsection should be added to Section 2 (Original Pages 9 through 27) to address customer complaints.

 In particular, this new subsection should include

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the Company's address and toll-free number by which the customer may file a complaint, and the address and phone number of the Hawaii Public Utilities Commission for unresolved complaints.

III.

Orders

THE COMMISSION ORDERS:

- 1. BSLD shall conform its revised tariff, filed on July 19, 2004, to the applicable provisions of HAR chapter 6-80 by, among other things, incorporating the tariff revisions set forth in Section II. of this order. An original and eight (8) copies of the new, revised tariff shall be filed with the commission, and two (2) additional copies shall be served on the Consumer Advocate. BSLD shall ensure that the appropriate issued and effective dates are reflected in its tariff.
- 2. BSLD shall file its new, revised tariff in accordance with HAR §§ 6-80-39 and 6-80-40. BSLD's new, revised tariff shall comply with the provisions of HAR chapter 6-80. In the event of a conflict between any tariff provision and State law, State law shall prevail.
- 3. BSLD shall promptly comply with the requirements set forth above. Failure to promptly comply with these requirements may constitute cause to void this order, and may result in further regulatory action, as authorized by law.

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PUBLIC UTILITIES COMMISSION OF THE STATE OF HAWAII

Bv

Carlito P. Caliboso, Chairman

By/ amm/h 17

ayne/H. Kimura, Commissioner

Ву

Janet E. Kawelo, Commissioner

APPROVED AS TO FORM:

Kris N. Nakagawa Commission Counsel

04-0076.eh

CERTIFICATE OF SERVICE

I hereby certify that I have this date served a copy of the foregoing $\underline{\text{Order No. } 21345}$ upon the following parties, by causing a copy hereof to be mailed, postage prepaid, and properly addressed to each such party.

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DATED: SEP 1 4 2004